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DEPARTMENT OF ENERGY

Better Information Needed to Determine If Nonmajor Projects Meet Performance Targets

GAO Highlights

Accountability * Integrity * Reliability

Highlights of GAO-13-129, a report to congressional committees

Why GAO Did This Study

As of February 2011, EM and NNSA remained on GAO's high-risk list for contracting and project management. These two offices manage numerous construction and cleanup projects that each cost less than $750 million and are called nonmajor projects. DOE requires its program offices to establish performance targets for the expected scope, cost, and completion date of each project before starting construction or cleanup. GAO has encouraged federal agencies to use strategic workforce planning to help them meet present and future mission requirements. Two key elements of workforce planning are to identify mission-critical occupations and skills and any current and future shortfalls in these areas. GAO was asked to examine the (1) extent to which EM and NNSA nonmajor projects have met their scope, cost, and completion date targets, (2) factors affecting EM's and NNSA's management of nonmajor projects, and (3) extent to which EM's workforce plans identify mission-critical occupations and skills and any current and future shortfalls in these areas. GAO reviewed DOE documents and project data, examined EM workforce plans, toured selected DOE facilities, and interviewed DOE officials.

What GAO Recommends

GAO recommends that EM and NNSA clearly define, document, and track the scope, cost, and completion date targets for each of their nonmajor projects and that EM clearly identify critical occupations and skills in its workforce plans. EM and NNSA agreed with GAO's recommendations.

View GAO-13-129. For more information, contact David C. Trimble at (202) 512-3841 or trimbled@gao.gov.

What GAO Found

Of the 71 nonmajor projects that the Department of Energy's (DOE) Office of Environmental Management (EM) and National Nuclear Security Administration (NNSA) completed or had under way from fiscal years 2008 to 2012, 21 met or are expected to meet their performance targets for scope, cost, and completion date. These projects included a $22 million EM project to expand an existing waste disposal facility at the Oak Ridge Reservation in Tennessee and a $199 million NNSA project to equip a radiological laboratory and office building at the Los Alamos National Laboratory in New Mexico. Another 23 projects did not meet or were not expected to meet one or more of their three performance targets for scope, cost, and completion date. Among these, 13 projects met or are expected to meet two targets, including a $548 million NNSA project to shut down a nuclear reactor in Russia for nonproliferation purposes; 8 projects met or are expected to meet one target; 1 project did not meet any of its targets; and 1 project was cancelled. Of the remaining 27 projects, many had insufficiently documented performance targets for scope, cost, or completion date, which prevented GAO from determining whether they met their performance targets. EM and NNSA often did not follow DOE requirements for documenting these performance targets, making it more difficult for GAO and DOE to independently assess project performance.

Several factors affected EM's and NNSA's management of their nonmajor projects that were completed or ongoing from fiscal years 2008 to 2012. These factors included the suitability of a project's acquisition strategy, contractor performance, and adherence to project management requirements. For example, EM officials managing an ongoing project to remediate soil and water at the Idaho National Laboratory used an acquisition strategy that tied incentives for the contractor to different performance milestones across the multiple subprojects within the contract, which will help the project meet its performance goals, according to EM officials. In contrast, NNSA encountered problems meeting its performance goals for a project to build an office building and radiological laboratory at the Los Alamos National Laboratory partly due to its acquisition strategy. According to NNSA project officials at the Los Alamos site office, the project team should have hired one contractor to design the project and solicited bids from other contractors to build the project rather than using the same contractor for both activities. The former strategy might have resulted in a more mature project design and more time to evaluate various contractors' qualifications to construct the project, according to the NNSA project officials.

EM's workforce plans do not consistently identify mission-critical occupations and skills and current and future shortfalls in these areas for its federal workforce. In addition, many EM workforce plans indicate that EM may soon face shortfalls in a number of important areas, including project and contract management. EM officials said that they recognize these issues and have taken a number of steps to address them, including conducting a skills assessment to identify key occupational series to target for succession planning. However, the inconsistent terms used to describe mission-critical occupations and skills in EM's workforce plans make it difficult for GAO and DOE to understand EM's most critical needs regarding its workforce.